

I Scope

For all business deals with our suppliers, contractors, work contractors and others, the purchasing terms detailed below shall be applicable exclusively to our purchases. We do not recognise the business terms of contractual partners unless we provide an express agreement thereto in writing. Our purchasing terms shall be applicable also if we accept deliveries without reservation in the knowledge of business terms of our contractual partners contrary to or deviating from our purchasing terms. These purchasing terms shall be applicable also to future business deals with the Vendor. The Vendor's obligations in accordance with these purchasing terms shall remain applicable also beyond the termination or completion of the order.

II Conclusion of the contract

Our orders will be binding only if we have placed them in writing or by fax.

III Acceptance

1. The order will be accepted by returning the copy of the order confirmation or by the commencement, in line with the order, of the provision of the service by the Vendor. The Vendor shall be able to accept the order only subject to our terms and conditions. A confirmation of the Vendor deviating from the order represents a new offer which requires our renewed consent in writing. Changes and additions similarly require our written consent.
2. We shall no longer be bound to our order if it is not accepted by the Vendor in line with the provisions of section 1 within 2 weeks from the date of the order.

IV Deliveries

1. The Vendor shall execute deliveries in the quantities and at the dates indicated in the order and/or in the release declarations issued correspondingly. The decisive aspect of the delivery date being complied with is the receipt of the goods at the place of destination indicated by us. Should the Vendor be late with his deliveries in accordance with the delivery schedule, we shall be able to arrange (1) a more rapid method of transport, in addition to our other rights, and require the Vendor to reimburse all additional costs resulting therefrom and (2) require the Vendor to reimburse all costs which we and/or our customers incur in respect of production delays as a result of the non-compliance with the delivery schedule.
2. The Vendor shall be able to plead the non-arrival of necessary documents, data or supplies to be provided by us only if the Vendor sends a reminder in this respect in writing and has not received the required items within an appropriate period.
3. Unless otherwise agreed, every dispatch of the goods in accordance with this order must take place DDP (Incoterms 2000) to the place of destination indicated by us. The risk for accidental loss and the accidental deterioration of the goods and all charges, including freight, packaging, customs duties, taxes and other expenditure, lies with the Vendor.
4. Mayser reserves the right to return bulky packaging, empty containers, barrels, boxes etc. used by the Vendor for the dispatch of the goods to the recipient, to the vendor irrespective of possible wear due to transportation or other reasons, freight paid, against a corresponding credit note. Deviations by the Vendor from the provisions of the statutory regulations applicable regarding packaging, including the packaging regulation (VerpackV) of 21.08.1998, version applicable at the time, require the prior consent of the Purchaser in writing.
5. A delivery note in duplicate must be attached to every delivery on which delivery note all details of the Purchaser's order, in particular the order number and date of the order, the Mayser item number, batch number and position number are indicated. Partial and remainder deliveries must be labelled as such.
6. We are not liable for the accidental loss or accidental deterioration of excess deliveries or goods delivered too early. In the case of deliveries in line with section 1, we shall be able to return the goods to the Vendor at the latter's risk or to store them on our premises at the latter's risk and costs. Payments shall become due only on the agreed payment date.
7. Parts of an order may not be transferred or allocated elsewhere as a subcontract without our prior consent in writing. The Vendor is liable for complying with all the rights and obligations resulting from this order by any possible subcontractor.
8. Unless otherwise stipulated in the order, all tools and/or all other objects necessary for its fulfilment shall be provided by the Vendor who shall keep these objects in a good state of repair, and, if necessary, replace them at the Vendor's costs.

V Quality

The Vendor maintains a QM system which guarantees deliveries free from defect. Requirements regarding the QM system (certification according to ISO9001 or TS16949) shall be agreed separately, if necessary. The Vendor grants us the right of access to the production sites, following prior agreement of the date, in order to be able to assess the method of operation of the QM-system and the reliability of the product manufacture. This comprises, if necessary, also the access of our customers if problems with the quality or reliability of delivery are foreseeable or probable. Deviations in the parts supplied from the sample presented and approved, in particular regarding the quality, material, presentation, design, colour, weight and other properties must be indicated to us immediately in writing. The supplier

is independently liable for direct and indirect damage resulting from the non-indication of the deviations. Should Mayser incur consequential costs as a result of faulty goods, the supplier must bear these costs to the full extent.

VI Testing and acceptance of the goods

1. We shall have the right to test all goods ordered by way of an order at any time and at any place, including during manufacture. Within the framework of such a test, we shall also be able to require the Vendor to use our quality control procedure. The Vendor grants access to us and the persons nominated by us to the operating installations of the Vendor at any reasonable time and makes the tools, equipment and support required for such testing in an appropriate manner available to us without additional charges. The final control and acceptance by us following the delivery of the goods is not replaced thereby.
2. We also reserve all rights in the case of payment, in particular in accordance with IX. The non-exercise of rights by us does not represent a renunciation thereof.
3. We shall have the right to examine the goods on receipt insofar and as soon as this is feasible in accordance with the ordinary course of business; defects discovered by us will be notified by us immediately on discovery. In this respect, the Vendor renounces the right to the objection of a delayed notification of defect.
4. Irrespective of whether the goods have been subjected to a major modification, we shall be able to revoke acceptance of the goods at any time in the case of a defect of the goods which could not have been discovered during our normal control operation or which cannot be normally discovered until the goods are used and which considerably reduces the value of the goods for us.

VII Price/Payment

1. We shall make payment within 2 weeks from receipt of the invoice and fulfilment of the contract less 3% discount or within 30 days following receipt of the invoice, net, this being at our discretion. The above-mentioned payment methods result in a legal delay of the due date. The place of payment for all invoices in respect of goods is the registered office of the Vendor.
2. All invoices sent to us must be presented in duplicate, made out in Euros, VAT applicable on the day of delivery being indicated separately and the order number, Mayser item number and designation as well as the Vendor's VAT number indicated on our order being stated. Invoices not drawn up appropriately are deemed to have been received by us only at the date of their being correct and entitle us to refuse payment until we receive a correct invoice corresponding to the above requirement.
3. The Vendor shall grant the terms, in particular price reductions and discounts granted to us also to other companies that are associated with our company (subsidiaries).
4. We shall not meet any other costs and expenditure arising to the Vendor within the framework of an order, in particular not costs or expenditure on cost estimates, site inspections, drawing up of offers and projects or extended work in respect of an order, a project or a business deal, irrespective of the amount.
5. We shall have the right to offset by way of any counterclaims resulting from the entire contractual relationship with the Vendor any receivables of the Vendor. Our right to offset also covers amounts receivable which are due to companies associated with our company. The Vendor shall have the right of retention or offsetting only insofar as the Vendor's claims are undisputed or have been recognised by declaratory judgment.
6. We reserve the right in the case of orders for tools to make the payment of the first payment instalment dependent on the provision of a banker's guarantee covering this amount, by the Vendor.

VIII Retention of title

Should a delivery be made by the Vendor subject to retention of title, a simple retention of title is deemed to have been agreed. For this case, the Vendor authorises us to process the goods in the normal course of business and to sell them. In return, we assign our claims vis-à-vis the customer or third parties to the amount of the purchase price including VAT to the Vendor herewith. We remain entitled to collect the amounts receivable even after assignment. The Vendor undertakes to refrain from collecting the amounts receivable for as long as we fulfil our payment obligations vis-à-vis the Vendor. The Vendor shall have the right to disclose the assignment only for an important reason and after informing Mayser in this respect. An extended retention of title will not be recognised by us.

IX Guarantees / warranties

1. The Vendor guarantees that the goods (1) are suitable and satisfy the intended purpose, (2) are of a quality customary on the market and free from any defects including material defects and manufacturing defects and, insofar as we have not specified the design in writing, free from design errors, (3) correspond to all specifications and requirements of the Purchaser and (4) correspond to all descriptions, samples, drawings, plans, specifications, designs and other information provided by the Vendor. The above guarantee provision applies in addition to the statutory guarantee regulations.
2. The Vendor guarantees that the goods and systems and courses of business connected with the goods correspond to the latest state of the art and the industrial

standards in force. In the case of deviations therefrom, the Vendor shall be required to obtain the Purchaser's prior consent in writing; the guarantee obligations of the Vendor shall not be limited or restricted by such a consent. Our specifications and requirements prevail before industrial standards. Should our specifications or requirements not be sufficiently comprehensive and precise, the Vendor must point this out to us in writing.

3. The Vendor shall use environmentally friendly materials and means for the production of goods (and the provision of services) for us and ensures that all materials supplied and services provided by subcontractors satisfy the same requirements within the framework of the appropriate possibilities. The Vendor guarantees the environmental compatibility of the goods and packaging materials supplied and the appropriate disposal of goods, material and packaging waste. At the Purchaser's request, the Vendor shall issue proof of purchase in respect of the goods supplied.

4. The test or approval of the samples, drawings, specifications or other data developed by the Vendor within the context of this order, by Mayser, does not limit the Vendor's liability.

5. All guarantees resulting from a contract, including these purchasing terms, shall prevail also beyond the acceptance, use and/or payment in our favour and our customers' favour.

6. The statutory rights of guarantee are due to us in full. The right to choose the type of supplementary performance is, in principle, due to us. The Vendor has the right to refuse the type of supplementary performance selected by us subject to the conditions of §439 subsection 3 of the Federal Civil Code. We expressly reserve the right to compensation for losses incurred.

7. The statutory guarantee periods shall be applicable insofar as no other agreement is made in a contract. The guarantee period begins, in deviation from the statutory provision, with the processing of the goods and/or with the commissioning in the case of machines and equipment.

8. Should the Vendor not satisfy its guarantee obligations within the period set by us, we shall be able to execute the necessary measures ourselves or have them executed by third parties at the Vendor's expense - notwithstanding other claims.

9. For parts of the supply restored to good condition or repaired within the guarantee period, the period of guarantee begins anew at the point in time at which the supplier has fully satisfied our claims supplementary performance.

10. Minor defects may be eliminated by us ourselves - in fulfilment of our damage reduction obligation - without prior consultation, without the Vendor's guarantee obligation being affected thereby. The same applies in urgent cases if unusually high levels of damage threaten.

11. Should we incur costs as a result of the defective supply of the contractual object, in particular costs of transportation, labour and materials or costs for an acceptance control exceeding the normal scope, the Vendor is required to bear these costs. The costs and risk for the accidental loss and the accidental deterioration of faulty goods shall be borne by the Vendor. This applies in particular in the case of the return of defective goods to the Vendor.

12. Should an end-user be at the end of the delivery chain, sections 478, 479 of the Federal Civil Code shall be applicable exclusively in relation to our Vendor.

X Release from product liability

The Vendor shall release Mayser, members of its workforce, employees, assignees, successors, successors in title, customers and users of the goods from all obligations regarding damage, costs, the obligation to provide damages, claims, legal disputes and obligations (including the costs of recall, repair and replacement; compensation for consequential damage, court fees and lawyer's fees) which are attributable to a defect of the goods. Insofar as the cause of the damage is part of the scope of responsibility of the Vendor, the Vendor shall provide the burden of proof. At Mayser's request, the Vendor shall immediately take on the defence in respect of a legal action brought or threatened by a third party against the Vendor and/or ourselves.

XI Infringement of industrial property rights/indemnification

1. The Vendor shall release Mayser, members of its workforce, employees, assignees, successors, successors in title, customers and users of the goods from all obligations regarding damage, costs, the obligation to provide damages, claims, legal disputes and obligations (including compensation for incidental damage and consequential damage, court fees and lawyer's fees) which are the consequence of an infringement of a patent, utility model, design patent, copy right or other commercial protective right in any country by the Vendor. At the Purchaser's request, the Vendor shall defend itself against any such an infringement action and/or any such infringement claim at the Vendor's own costs. The Vendor's obligations in accordance with the two above sections shall apply also if Mayser specifies part of the design of the goods or part of the manufacture of the goods but the infringement is due to other circumstances beyond Mayser's control. Should the sale and/or utilisation of the goods be prohibited and/or be likely to be prohibited according to the Vendor's judgement, the Vendor shall either procure the right for us to continue to utilise the goods or to replace the goods by equivalent goods not infringing foreign industrial property rights or to modify the goods in such a

way that they no longer infringe foreign industrial property rights or to remove the good and to compensate for the purchase price including transport, installation, dismantling and other costs connected therewith, this being at our discretion and exclusively at the Vendor's expense.

2. The Vendor recognises our ownership and our rights to the brand names, logos, designations and packaging designs used for the goods. The Vendor shall refrain from using these brand names, logos, designations and packaging designs or from using these or similar brand names, logos, designations and packaging designs or having them used.

XII Modifications

1. Mayser shall be able to modify drawings, sketches, specifications, materials, packaging, delivery dates and places of delivery or types of transport with respect of the goods in writing at any time. Should the costs or the time necessary for the Vendor's provision of the service in accordance with the order be increased or reduced as a result of such modifications, an appropriate adjustment shall be agreed and the order be correspondingly changed in writing. A claim by the Vendor for a corresponding adjustment must be made and evidence of its amount provided within one week following the day on which the Vendor was informed of the change. The Vendor shall continue to execute the order until agreement on such a modification is reached.

2. The Vendor shall not be permitted to effect any changes to the design, material, course, process or execution unless Mayser has given its consent beforehand in writing. In the case of impossibility or risk of an infringement of the law or creation of a dangerous situation, the Vendor must point this out to Mayser in writing.

XIII Force majeure

1. Force majeure, such as circumstances caused by events of nature, measures taken by the authorities, fire, flood, explosions, natural catastrophes, war, industrial disputes (including lock-outs and strikes), court orders or decrees and other events beyond one's control shall entitle us - notwithstanding our other rights - withdraw from the contract in full or in parts and/or to purchase the goods ourselves or via the Vendor from other sources and/or to reduce the quantities purchased vis-à-vis the Vendor, without any liability. The right of rescission by us exists insofar as the interruption in not of considerable duration.

2. Should Mayser be forced to change its delivery schedule as a result of force majeure and a delivery date be postponed, the Vendor shall hold back the goods to be delivered in line with our instructions and supply them immediately on elimination of the cause of the delay. The additional costs incurred by the Vendor as a result (e.g. costs of storage etc.) shall be borne by the Vendor insofar as the period by which the delivery is postponed as a result of force majeure is not considerable.

3. The Vendor and Mayser shall inform each other immediately in writing of cases of force majeure and their likely duration.

XIV Cancellation/rescission/delay

1. We shall be able to give notice of cancellation of an order or part thereof by written notification to the Vendor with an appropriate period of notice. On receipt of the notice of cancellation, the Vendor will immediately terminate all work in respect of the order and take steps to ensure that the Vendor's suppliers or sub-contractors, if any, terminate this work. We will pay the Vendor for all goods which (1) are ready for dispatch according to the delivery schedule in line with this contract before the notice of cancellation is received by the Vendor, (2) satisfy all the requirements of an order and (3) are free from all charges.

2. We shall be entitled to effect (partial) cancellation if a customer of Mayser withdraws from an order placed with us or cancels it in full or partially or reduces the volume of its order to which the Vendor's goods relate within the framework of the present order for reasons of a change of model or other design or technical modifications at the customer or for another reason outside our control. The Vendor shall not have any claims against Mayser beyond the part of the contract already fulfilled, as a result of such a cancellation.

3. On no account are we liable for expected or lost earnings, interest charges or other compensation for consequential damage. Mayser will not pay compensation for work carried out after a notice of cancellation has been sent to the Vendor or for costs incurred by the supplier or sub-contractor of the Vendor which the Vendor could have avoided.

4. In the case of an important reason, in particular in the case of a delay in delivery, the Vendor's behaviour contrary to the requirements of the contract, insolvency, excessive indebtedness, liquidation or dissolution of the Vendor, we shall have the right to withdraw from the contract in full or partially.

5. Notwithstanding other statutory rights of the Purchaser, we shall have the right in the case of a withdrawal from the contract, to purchase the goods which are the subject matter of the contract from third parties and to charge the possible additional costs arising as a result to the Vendor.

6. The Vendor's liability in respect of the delay comprises also compensation for incidental damage and consequential damage arising to us or to third parties. Should it be detected following the cancellation / withdrawal due to default that the

Vendor was not in default, the rights and obligations of the parties are the same as if the cancellation had been effected by us for reasons of expediency.

XV Protected information/confidentiality/notification

1. The Vendor shall treat all items of information provided by us in connection with an order (including product and process drawings, product specifications and ownership and tools without restriction) and all items of information, including all documents produced by the Vendor for us in connection with an order secret and use them exclusively for the purpose of executing the order. Such items of information must not be duplicated, used commercially or made available to third parties without our prior consent in writing. The Vendor is permitted to make such items of information available within the Vendor's own enterprise only to persons who need to be necessarily involved in the execution of the order and whom the Vendor has also committed to secrecy. The Vendor is liable for any infringement of the secrecy obligations with respect to the order by a third party to whom the Vendor has made the items of information accessible. The secrecy obligation relates also to the content of all contracts with Mayser, in particular in the case of new and further developments of products.

2. Personal data which a party receives in connection with the order may be stored for purposes of data processing, taking section 26 of the Federal Data Protection Act into consideration.

3. Unless otherwise agreed in writing, no information is deemed to be confidential which the Vendor discloses to us in any way or at any point in time; apart from rights under the patent law, the Vendor shall not establish any claim against us in this respect.

XVI Licence relating to repairs/use of protected material

The Vendor herewith grants to Mayser a simple, irrevocable licence valid worldwide free of charge for repairing, modifying, restoring and rearranging the goods. In addition, the Vendor grants us a simple irrevocable licence already paid for and valid worldwide for using all the protected material of the Vendor which is made available to us in the course of the Vendor's service in line with the order and relates to the goods which represent the subject matter of the contract. Without restricting the general validity of the above, the use of protected material by us in accordance with this licence may comprise the reproduction, sale to customers and others and public display.

XVII Indemnification/insurance

1. The Vendor is liable for all damage which the Vendor, its employees, persons employed in the performance of its obligations or vicarious agents cause in connection with the fulfilment of an order. The Vendor shall free and indemnify us, our employees, members of the workforce and assignees with respect to any damage, costs, obligations to provide compensation, claims, legal disputes and any liability (including compensation for damage arisen incidentally and consequential damage, court fees and lawyer's fees) which are due to the action or omission of the Vendor, employee and person employed in the performance of its obligations or vicarious agent.

2. The Vendor will take out a comprehensive general liability and material/property damage insurance which includes a contractual liability insurance to cover the Vendor's obligations in accordance with an order to an appropriate level, in addition to a product liability and product recall insurance to an appropriate level determined by Maser as well as an industrial accident and employer's liability insurance providing cover for all employees involved in the execution of this order against claims arising in connection with the laws and/or statutory regulations applicable regarding industrial accidents, occupational disease, health and safety. The Vendor shall obtain certificates as proof of such insurance protection, in which certificates it is expressly laid down that no extinction of a claim, no termination and no modification can take place within a period of one month without prior notification of Mayser in writing. The Purchaser's property which the Vendor utilises while fulfilling the order is deemed to be within the sole care and power of the Vendor during the period of such an utilisation by the Vendor.

XVIII Property of Mayser/property of the Mayser customers

1. All items which are made available to the Vendor by us, including special packaging material, models, tools, moulds, dies, and other design, fitting and/or manufacturing aids as well as documents remain the property of Mayser. Moreover, we are entitled to ownership of all items, including all associated items mentioned in section 1, which the Vendor manufactures at our request or that of our customers. The Vendor herewith transfers the ownership of these items to us and we accept this transfer, and stores the property for us free of charge. The Vendor shall use the property without our prior consent in writing exclusively for the purposes determined by us and not use or modify them for any third party. The Vendor shall keep an inventory in an appropriate form of our property and comply with our instructions in this respect; the Vendor shall treat our property with the care in conformity with fair dealing and store it separately and labelled away from the Vendor's own property at the Vendor's expense, repair it and keep it repaired in agreement with Mayser at the Vendor's expense.

2. Should the Purchaser's property which is in possession of the Vendor be stolen

or damaged, the Vendor shall compensate the Purchaser or replace the property at the Vendor's expense, this being at the Purchaser's discretion. On completion of an order, the Vendor shall request instructions on how the property is to be disposed of irrespective of whether it is present in its original form or as semi-finished products. At Mayser's request, the Vendor will make this property available to us in the manner determined by us, including the preparation, packaging and dispatch in accordance with instructions. Expenditure on the preparation for dispatch is payable by the Vendor; the dispatch is to be effected DDP (Incoterms 2000) to the place of destination indicated by us. The Vendor's obligations regarding the delivery of the Purchaser's property are not subject to any set-off or retention due to a counter-claim consisting of this or another business deal.

3. The above provisions shall be applicable also with respect to those items surrendered to the Vendor which are the property of the customers of Mayser. Deviations by the Vendor from the provisions of the statutory regulations applicable regarding packaging, including the packaging regulation (VerpackV) of 21.08.1998 in the version applicable respectively, require our prior consent in writing.

XIX Law applicable/place of fulfilment, venue/ final clauses

1. Every order is subject to the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contract for International Sale (CISG).

2. The place of fulfilment is the place at which the goods are to be delivered or the service is to be provided in line with our instructions. The place of payment is Ulm or the location of our respective subsidiaries.

3. If the contractor is a businessman, it is herewith agreed that Ulm will be the venue. However, we shall have the right to bring an action against the Vendor also at the Vendor's registered office.

4. Should any provision of these purchasing terms be or become invalid, this shall not affect the validity of the remaining provisions of these purchasing terms. The parties agree to replace the invalid provision by another provision which corresponds to the original aims of the parties and the corresponding contract. The quality assurance guidelines form part of every delivery and provision of service to Mayser GmbH & Co. KG or any other one of the Mayser subsidiaries. The quality assurance guidelines are available to our contractual partners in the Internet on the Mayser homepage by making use if the following link: www.mayser.de (Materialwirtschaft, Informationen für Lieferanten – Materials management, Information for suppliers).

05.10.07

Mayser GmbH & Co. KG